



# Enduring Value

Nation First: Sab Saath Badhein

**ITC Limited**

REPORT AND ACCOUNTS 2021

# Contents

ITC: The Next Horizon Agility. Purposeful Innovation. Compassion.	
Board of Directors and Committees	01
Report on Corporate Governance (including Shareholder Information)	10
Report of the Board of Directors & Management Discussion and Analysis	36
Secretarial Auditor's Report	144
CEO and CFO Compliance Certificate	145
Standalone Financial Statements	
Balance Sheet	146
Statement of Profit and Loss	147
Statement of changes in equity	148
Cash Flow Statement	150
Notes to the Financial Statements	152
Independent Auditor's Report	220
Guide to Subsidiaries, Joint Ventures & Associates	230
Salient Features of the Financial Statements of Subsidiaries, Joint Ventures & Associates (AOC-1)	233
Consolidated Financial Statements	237
Ten Years at a Glance	328
Financial Highlights	
Business Responsibility Report	I-XVI
Business Update: ITC Infotech	
Creating Enduring Institutions	
Awards & Accolades	



The mnemonic for this year's Report and Accounts symbolises ITC's nurturing of multiple drivers of growth. A vibrant and synergistic portfolio of businesses with a growing presence across all three sectors of the economy - agriculture, manufacturing and services. The arched hands with multiple leaves also emphasise ITC's commitment to making a Triple Bottom Line contribution by creating economic, social and environmental capital for the nation. The organic elements of the mnemonic highlight the thrust towards creating a brighter and more inclusive future through agility, purposeful innovation and compassion.



# ITC: The Next Horizon

## Agility. Purposeful Innovation. Compassion.

As the mid-year dawns on 2021, the pandemic that swept across the globe continues to be of concern. In India, the second wave became yet another reminder of the fragility of human lives and livelihoods. The Government at the Centre and States, businesses, institutions and civil society organisations rose as one to address the myriad and unprecedented challenges. Doctors, healthcare professionals and workers fought in unimaginable circumstances and selfless ways to save lives, even as the deluge tested every sinew of their tireless endeavours. The future continues to be threatened by the possibility of more virus outbreaks. However, hope is pinned on the pace of vaccination, responsible COVID-appropriate behaviour from citizens and the augmentation of the healthcare infrastructure. In such united purpose, spirit and action indeed lie hope for a healthier tomorrow for the people, for enterprises and for the nation.

ITC's credo of 'Nation First – Sab Saath Badhein' finds expression in the enterprise's constant quest to build 'Responsible Competitiveness' even in the face of adversity. Responding to the unprecedented disruption, ITC pivoted with agility and resilience to meet the ever evolving circumstances with sharp strategies, strength of innovation and robust execution. What was also of paramount importance to ITC was the imperative need to take compassionate action in multi-faceted ways for its stakeholders in society, particularly those who were rendered vulnerable by the pandemic. Despite several operational challenges, the Company's resolve to adapt to the new normal and reimagine the next normal led to hardwiring of agility in every sphere of operation, leveraging purposeful innovation, realigning supply chains, building partnerships and collaborations as well as accelerating the pace of digital technologies, processes and systems to more effectively serve consumers, communities and the country.

ITC's next horizon will be defined by its hallmarks of agility, purposeful innovation and compassion, honed to new levels of excellence with the rapid learning from the experiences of the recent past. These will find expression in leveraging opportunities that lie in the intersection of defining trends of digital, sustainability and the synergistic enterprise strengths of the Company nurtured over time. ITC's presence across the agriculture, manufacturing and services sector provides a unique opportunity to make a larger contribution to the country across economic, social and environmental dimensions. Its world-class Indian brands that anchor inclusive value chains and retain larger value in the economy, its 'Make in India'-inspired investments in state-of-the-art manufacturing and iconic hospitality assets, its focus on cutting-edge R&D-led innovation, its contribution to the competitiveness of next generation agriculture, the pace of its rapid digitalisation across all aspects of operations and its efforts to achieve its even more ambitious Sustainability 2.0 goals will be the drivers of the next horizon.

The pages that follow, provide a glimpse of the multidimensional interventions powered by agile innovation that led to the launching of 120 products in record time, serving emerging consumer needs, expanding reach in existing and newer markets and in working with rural communities and millions of farmers to secure livelihoods in these trying times. They also provide highlights of the action taken during the second wave to augment the country's oxygen availability and facilitate the setting up of medical facilities to supplement the healthcare infrastructure, among others.

In this journey to the next horizon, ITC takes pride in its dedicated talent that have displayed enormous commitment and courage to help build an even more inclusive future for all our stakeholders.



## ITC: Creating Enduring Value for the Nation

ITC's leading businesses create multiple drivers of growth across all 3 sectors of the Economy



### Agriculture

Multiplying  
Farmers' Income

Empowering  
4 million farmers

#### ITC Agri Business

- Value added agriculture
- Pioneering e-Choupal ecosystem



### Manufacturing

State-of-the-art  
facilities contributing to  
'Make in India'

More than  
200 factories

#### Making in India

- Creating world-class manufacturing facilities
- Distributed manufacturing to serve Indian markets efficiently



### Services

Iconic Luxury  
Hotel Properties

107 properties. 10,200+ rooms

ITC Infotech: Leading global  
technology services  
& solutions provider

#### ITC Hotels

- Iconic hotel properties
- WeAssure - Platinum-rated hygiene and safety protocols
- Enriching India's tourism landscape



#### ITC Life Sciences & Technology Centre

- Creating Intellectual Property for India
- Over 900 patent applications filed

#### ITC's Winning Brands

- 25 mother brands
- ITC's brands create, capture and retain value in India



Contributing to National Priorities and 'Atmanirbhar Bharat'





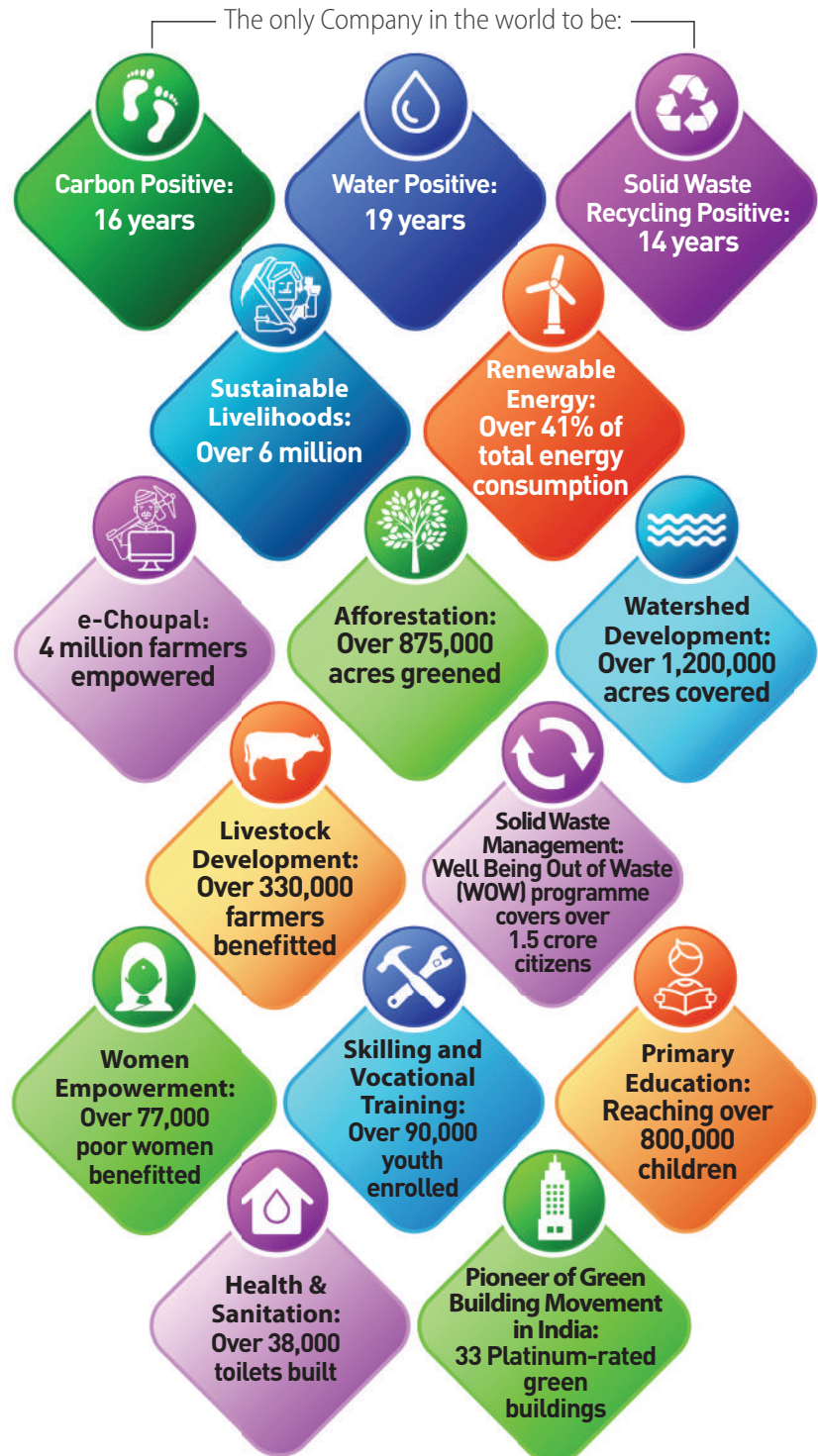
## ITC: An Exemplar in Triple Bottom Line Performance

Gross Sales Value\*  
**₹74,979 Cr**  
for the year ended  
31st March, 2021

Among the  
**Top 3**  
contributors to the  
Exchequer in the  
private sector in India

ITC's FMCG  
products reach over  
**150 million**  
households in India

**'AA' rating**  
by  
**MSCI-ESG**  
Highest amongst  
global tobacco  
companies



\* Gross Sales Value includes GST, GST Compensation Cess as applicable for the reported periods

ITC Hotels is the First Hotel chain in the world to receive Platinum level certification under DNV's My Care Infection risk management programme for 'WeAssure' hygiene protocol.

ITC's Paperboards unit at Kovai was awarded the Platinum rating by the Alliance for Water Stewardship Standards, highest recognition for water stewardship in the world. The unit is the first site in India and the first paper mill in the world to achieve this recognition.



## ITC's Multiple Drivers of Growth

ITC continuously strives to widen its contribution to the Indian economy by creating multiple drivers of growth. This strategy is anchored on developing a portfolio of globally benchmarked businesses that serve emerging consumer needs with differentiated products and solutions. ITC derives its competitive ability, agility and future readiness from internal synergies that blend diverse skills and capabilities residing in its various businesses; and strategic investments in infrastructure and digitalisation towards accelerating growth & value creation. ITC's aspiration to be a leader in each of its businesses forms the robust foundation for creating sustained value for all stakeholders.

### FMCG: One of the fastest growing in the country



- ITC is India's leading FMCG marketer
- Portfolio of 25 mother brands in Foods, Personal Care & Hygiene Products, Education & Stationery Products, Agarbattis & Matches
- Powered by world class quality, superior consumer insights, cutting edge innovation and purpose led brands
- Strategic investments in creating a new core
- Anchoring agri value chains

### Agri Business: Empowering farmers



- ITC is a pioneer in rural transformation
- Encompasses over 3 million tonnes in 22 States and over 20 agri value chain clusters
- One of India's largest exporters of agricultural commodities
- ITC e-Choupal empowered 4 million farmers in India
- e-Choupal 4.0: Creating phygital ecosystem for farmers
- Multiplying farmers' incomes

SHOP NOW ON **ITCstore.in**

**700+ PRODUCTS**  
Across Food, Personal Care, Stationery & More



## ITC: A Snapshot

**13**  
businesses in  
**5**  
segments

Over  
**120**  
new product  
launches in  
2020-21

Over  
**100**  
countries where  
ITC exports

**4**  
million  
farmers  
empowered

ITC's FMCG  
products are  
available in  
**6 million**  
retail outlets





## Paperboards and Packaging: Global Icon in Environmental Stewardship



- Clear leader in Value Added Paperboards
- World-class environmental performance
- Developing alternatives to single use plastics
- Contributing to 'Make in India' and Import Substitution
- Anchoring local forestry value chains; empowering farmers

## Hotels: Trailblazer in 'Responsible Luxury'



- ITC Hotels is one of India's pre-eminent and fastest growing hospitality chains
- 107 hotel properties in over 70 locations
- Trailblazer in 'Responsible Luxury' & Sustainability
- 'Largest Chain of Hotels in the World, with maximum LEED® Platinum Certified Properties', as per USGBC
- ITC Hotels is the First Hotel chain in the world to receive Platinum level certification under DNV's My Care Infection risk management programme for 'WeAssure' hygiene protocol
- ITC Windsor, First Hotel in the World to achieve LEED® Zero Carbon Certification
- Iconic Cuisine Brands



## ITC Infotech: Delivering Business-friendly Solutions



- Wholly-owned subsidiary of ITC Limited
- Leading global technology services and solutions provider
- Presence across 5 continents
- Providing Business-friendly Solutions to enterprise clients across Banking, Financial Services, Consumer Packaged Goods, Manufacturing, Travel, Hospitality and Healthcare

## ITC: A Snapshot

Over  
**900**  
patents filed

More than  
**26,000**  
employees

Over  
**200**  
manufacturing  
units

**107**  
hotel  
properties

Over  
**6 million**  
sustainable  
livelihoods  
supported

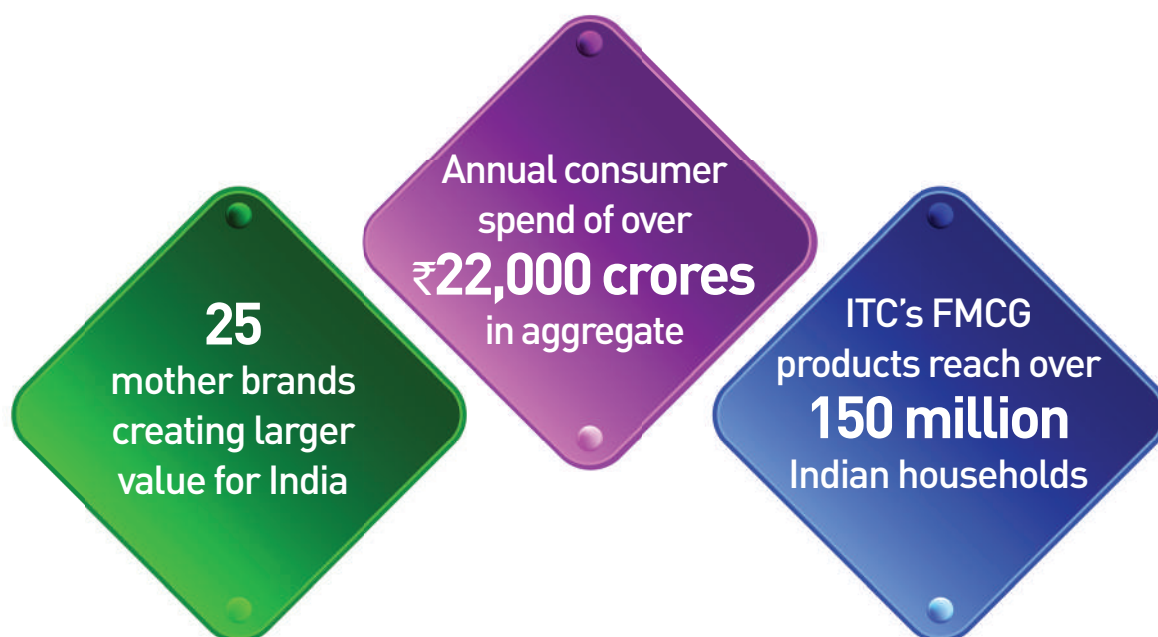


## ITC's World-class Indian Brands

### Delighting Consumers, Creating & Retaining Value in India

Driven by the belief that it is mission critical to create, nurture and own intellectual capital in India, ITC has built a portfolio of 25 world-class Indian brands. Today, the Company's vibrant portfolio of brands represents an annual consumer spend of over ₹22,000 crores.

These winning home-grown trademarks ensure greater value capture and retention in the country, besides creating sustainable livelihoods. With growing consumer franchise, such world-class Indian brands can create value streams in perpetuity and prevent avoidable outflow of foreign exchange & royalty payments.



## Brand Leadership

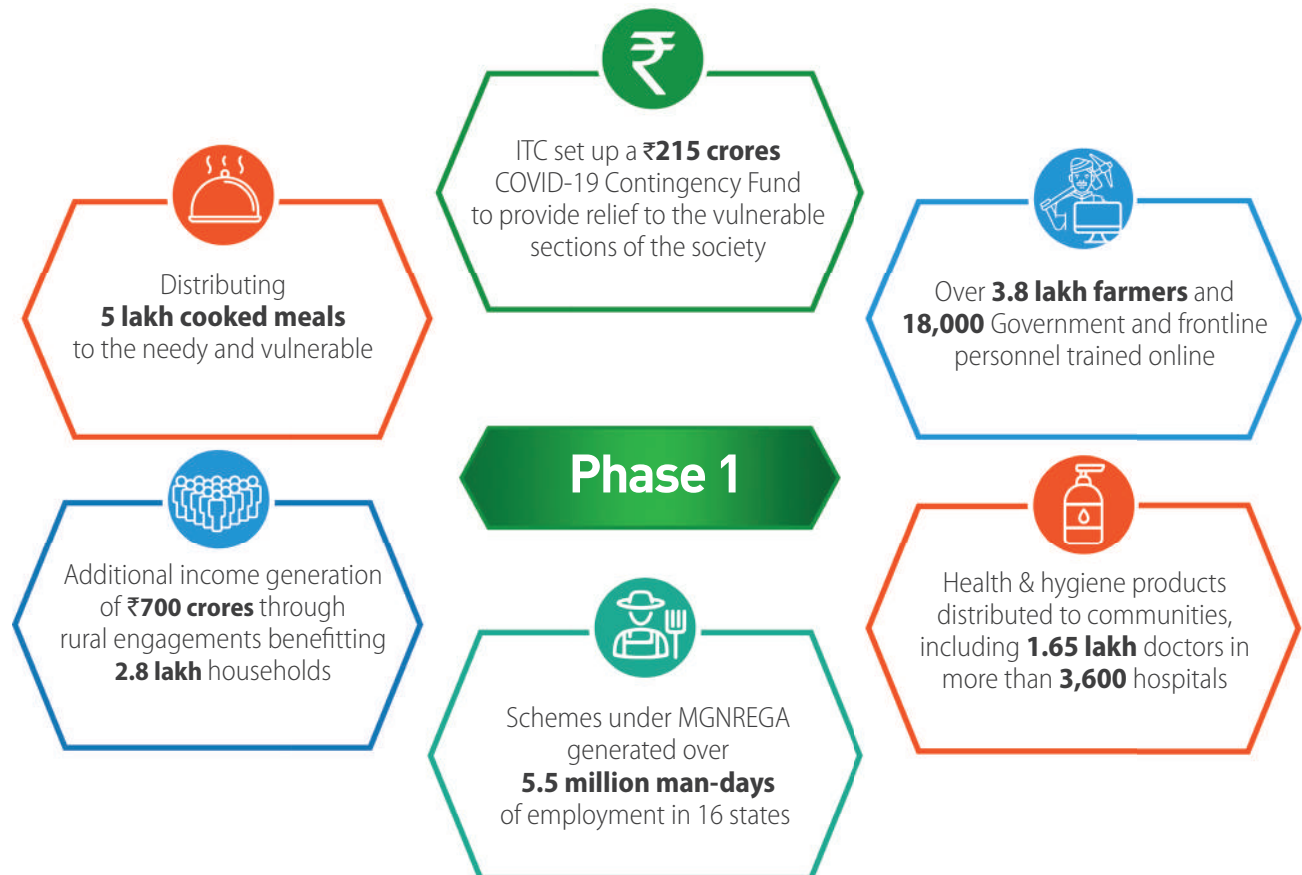






## Combating COVID-19: Contributing to National Efforts

Responding to the unprecedented humanitarian crisis caused by the COVID-19 pandemic, ITC has put in place several measures that were not only aimed at providing relief and succour to the most vulnerable but also to support value-chains that could generate livelihoods during these trying times and beyond. The two phases of the pandemic have demanded different responses and ITC's endeavours have also been calibrated to the need of the hour.



## Phase 2



Importing 24 cryogenic oxygen containers, 1200 concentrators and 22 generators to ease supply



Supporting setting up of 600 hospital beds in 3 States



Bhadrachalam unit supplying oxygen to identified Government hospitals



In-kind relief support in 29 States and Union Territories



Vaccination planned for communities and eco-system partners



Select Welcomhotels offered quarantine facilities



PPE kits and masks provided to frontline hospital workers



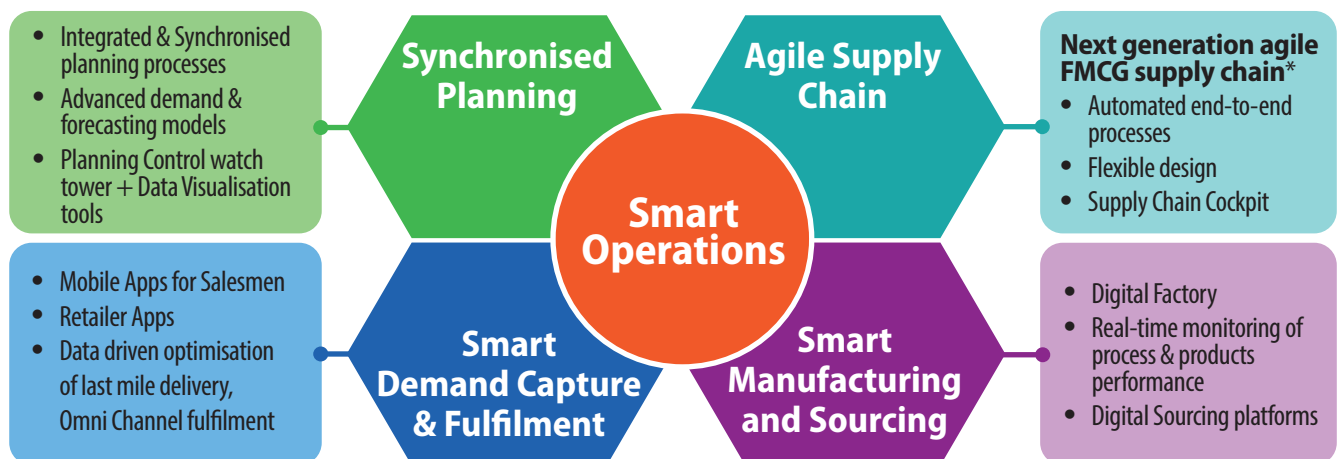
## Building 'Smart' Businesses

Cutting-edge digital technologies continue to be deployed towards strengthening ITC's real-time operations and execution platform

### Digital@ITC



### Integrated Real Time Operations Execution Platform



\*AI/ML & Advanced Analytics platform to drive operational efficiency & seamless execution

### Smart Consumer

#### Personalised Consumer Journey across Touchpoints

